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Cannabiz Supply, North American Distributing, LLC d/b/a Cannabiz
Supply, and Charles J. Fox

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

A&A GLOBAL IMPORTS, INC.,
a California corporation,
Plaintiff,

vs.

CBJ DISTRIBUTING LLC d/b/a
CANNABIZ SUPPLY, a Nevada limited
liability company; NORTH AMERICAN
DISTRIBUTING, LLC d/b/a CANNABIZ
SUPPLY, a Nevada limited liability
company; and CHARLES J. FOX, an
individual,

Defendants.

NORTH AMERICAN
DISTRIBUTING, LLC d/b/a CANNABIZ
SUPPLY, a Nevada limited liability
Company,

Counterclaimant,

vs.

A&A GLOBAL IMPORTS, INC.,
a California corporation,
Counterdefendant.

Case Number:
2:22-cv-00576-RFB-DJA

STIPULATION AND ~~PROPOSED~~
ORDER TO STAY AND EXTEND
DISCOVERY PURSUANT TO JUNE 5,
2024 MINUTE ORDER (FIFTH
REQUEST)

**STIPULATION AND [PROPOSED] ORDER TO STAY AND EXTEND
DISCOVERY PURSUANT TO JUNE 5, 2024 MINUTE ORDER (FIFTH REQUEST)**

Plaintiff/Counterdefendant A&A GLOBAL IMPORTS, INC. (“Plaintiff”), by and through its counsel of record, the law firms of Blank Rome LLP and Lewis Roca Rothgerber Christie LLP, and Defendants/Counterclaimant CBJ DISTRIBUTING LLC d/b/a CANNABIZ SUPPLY, NORTH AMERICAN DISTRIBUTING, LLC d/b/a CANNABIZ SUPPLY, and CHARLES J. FOX (“Defendants”, collectively with Plaintiff, the “Parties”), by and through their counsel of record, the law firm of Marquis Aurbach and the Law Offices of Philip A. Kantor PC, hereby move pursuant to this Court’s June 5, 2024 Minute Order and stipulate as follows to stay the discovery deadlines in this case for five (5) months as detailed herein, on the basis of earnest settlement discussions:

A. COMPLETED DISCOVERY

As previously reported, the Parties have engaged in considerable discovery, with both Plaintiff and Defendants serving and responding to multiple sets of interrogatories, requests for admission and requests for production. The Parties have conducted multiple meet-and-confer conferences regarding the aforementioned written discovery and have both supplemented their discovery responses multiple times.

B. REMAINING DISCOVERY & COST/BURDEN OF REMAINING DISCOVERY

The Parties are close to completing all necessary discovery. The only remaining items the parties contemplate conducting are depositions and selected written discovery as referenced in correspondence between the parties as of January 26, 2024.

Completing this remaining discovery will entail considerable cost/expense that should otherwise be expended towards the continued possible settlement of the instant matter. With respect to the estimated 4-5 depositions in particular that will need to be taken, said depositions will require out-of-state travel and accommodation for both Plaintiff’s counsel and Plaintiff, as well as significant time and preparation on both sides.

As things currently stand, the Parties have been, and continue to be able to pursue settlement without significant time or resources invested from their attorneys – which has

1 come at a significant savings to both parties. The parties fear that the sudden need to expend
2 significant attorney's fees and costs completing the remainder of discovery, and thereafter
3 engaging in significant summary judgment motion work, could detract from, and worse,
4 reverse, the progress being made in the ongoing settlement discussions.

5 **C. THERE IS GOOD CAUSE TO STAY THE CASE PENDING**
6 **SETTLEMENT TALKS**

7 The parties' principals have been in direct negotiations and believe a limited five-
8 month standstill of the litigation would greatly benefit their ongoing settlement efforts.
9 Accordingly, they have asked their respective counsel to request a standstill of the litigation
10 for 5 months.

11 This Court, in *Gibson v. MGM Resorts Int'l*, No. 223CV00140MMDDJA, 2023 WL
12 4455726, at *2 (D. Nev. July 11, 2023), adopted a new framework to determine whether to
13 grant a stay of discovery based on an analysis by the Honorable Judge Brenda Weksler in
14 *Schrader v. Wynn Las Vegas, LLC*, No. 219CV02159JCMBNW, 2021 WL 4810324, at *4
15 (D. Nev. Oct. 14, 2021). In *Schrader*, the Court articulated that it "may grant motions to
16 stay discovery when a dispositive motion is pending if (1) the dispositive motion can be
17 decided without further discovery; and (2) good cause exists to stay discovery." *Id.*
18 However, "good cause may exist based on other factors unrelated to the merits of the
19 dispositive motion." *Id.* For example, "In many cases, the movant seeks a stay of discovery
20 to prevent 'undue burden or expense.'" *Id.* (citing Fed. R. Civ. P. 26(c)(1).) The movant
21 would need to establish what undue burdens or expense will result absent a stay and any
22 party opposing the stay is encouraged to discuss any specific reasons why a stay would be
23 harmful or prejudicial. *Id.* Ultimately, the Court's analysis is guided by Rule 1 of the Federal
24 Rules of Civil Procedure, where the Court is trying to determine "whether it is more just to
25 speed the parties along in discovery and other proceedings while a dispositive motion is
26 pending, or whether it is more just to delay or limit discovery and other proceedings to
27 accomplish the inexpensive determination of the case." *Id.* (citing *Tradebay, LLC v. eBay,*
28 *Inc.*, 278 F.R.D. 597, 603 (D. Nev. 2011).)

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1 In the present case, the parties’ request for a stay is premised on the exact good cause
 2 articulated by the *Schrader* Court: the parties’ desire to avoid “undue burden or expense.”
 3 After the Court’s previous grant of extension of discovery (ECF No. 92), the parties’
 4 principals have engaged in several substantive and meaningful settlement discussions about
 5 a resolution of this case. As previously represented by Plaintiff’s counsel in prior filings,
 6 Plaintiff has recently undergone a significant and comprehensive change in ownership – one
 7 that essentially equates to a new party being substituted into the case. This has created an
 8 enormous logistical challenge in terms of being able to substantively advance the case.
 9 Moreover, and without delving into the substance of settlement discussions, the recent
 10 change in Plaintiff’s ownership has brought about circumstances that have made settlement
 11 more of a concrete possibility than before. The ongoing and substantive settlement
 12 discussions have led the parties to believe that they need some additional time to conduct
 13 certain due diligence and internal business transitions to complete their settlement talks.¹
 14 For this limited purpose, the parties agreed to a five-month standstill of the litigation. This
 15 extension is being brought in the interest of justice and efficiency, and not for the purposes
 16 of undue delay.

17 Though of course there is no “dispositive” motion before this Court as referenced in
 18 *Gibson* and *Shrader*,² both of those decisions noted that good cause may exist on factors not
 19 related to any such motions. *Schrader*, 2021 WL 4810324, at *4 (“good cause may exist
 20 based on other factors unrelated to the merits of the dispositive motion”); *Gibson*, 2023 WL
 21 4455726, at *3 (good cause may be establish “by other factors not related to the merits of
 22 the dispositive motion”). Nonetheless, the Parties jointly and respectfully submit that the
 23 ongoing settlement discussions has the same “dispositive” effect as a dispositive motion
 24

25 ¹ Due to the sensitive and confidential nature of the discussions, the parties have refrained
 26 from public disclosure of the substance of those discussions in this stipulation. However, if
 27 the Court would like additional details, the parties will agree to submit such information to
 28 the Court under seal.

² See generally *Gibson v. MGM Resorts Int’l*, No. 223CV00140MMDDJA, 2023 WL 4455726 (D.
 Nev. July 11, 2023).

1 because the settlement discussions would potentially resolve the entire case. Thus, and
 2 keeping in mind the second “good cause” factor articulated in *Gibson* and *Shrader*, the
 3 Parties submit that significant undue burden/expense will arise in the event that the Parties
 4 must shift their efforts away from the fruitful settlement discussions and to the remainder of
 5 discovery/summary judgment – with this “burden” being not only in the form of the
 6 additional attorney’s fees and costs, but also in the potentially forgone possibility to globally
 7 settle the instant case.

8 Finally, as this request is sought jointly, neither party is asserting any claims of
 9 prejudice. *Schrader*, 2021 WL 4810324, at *4. To the contrary, the parties fear that not
 10 granting a stay and requiring them to expend the substantial time and expense of litigation
 11 would undermine, if not remove, the possibility of settlement.

12 Ultimately, the parties’ request is in line with the objectives of Rule 1, where the
 13 parties are seeking to secure the “inexpensive determination” of the case. Fed. R. Civ. P. 1.
 14 Therefore, the Parties respectfully request this Court exercise its plenary authority to manage
 15 its own docket and foster the “orderly and expeditious disposition of cases.” *Reberger v.*
 16 *Dzurenda*, No. 317CV00552RCJCSD, 2022 WL 21778508 (D. Nev. Oct. 18, 2022), report
 17 and recommendation adopted, No. 317CV00552RCJCSD, 2022 WL 21778513 (D. Nev.
 18 Nov. 14, 2022).

19 **D. PROPOSED NEW DISCOVERY SCHEDULE**

20	<u>Current Deadline</u>	<u>New [Proposed] Deadline</u>
21 Close of Discovery	July 1, 2024	Discovery stayed until November 4, 2024. Then discovery will re-commence automatically (if settlement not reached beforehand) and end on December 2, 2024
22		
23		
24 Dispositive Motions	August 1, 2024	January 2, 2025
25		
26 Pretrial Order	September 3, 2024	February 2, 2025, but if dispositive motions are filed, then the date for filing the joint pretrial order shall be suspended until thirty (30) days after decisions on any
27		
28		

		dispositive motions, or upon further order of the Court extending the time period in which to file the joint pretrial order
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IT IS SO STIPULATED.

Dated this 14th day of June, 2024

Dated this 14th day of June, 2024

Submitted by:

Approved as to content by:

MARQUIS AURBACH**LEWIS ROCA ROTHGERBER
CHRISTIE LLP**By: /s/ Harry L. ArnoldBy: /s/ Meng Zhong

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CANNABIZ SUPPLY, and CHARLES
J. FOX

Attorney(s) for Plaintiff/
Counterdefendant A&A GLOBAL
IMPORTS, INC.

ORDER

IT IS HEREBY ORDERED that, upon stipulation of counsel and good cause appearing therefore, the Stipulation to stay and extend the discovery deadlines in this case is hereby approved.

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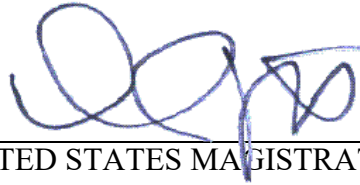
1 **IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED** that the
2 discovery deadlines shall be amended as follows:

3 1. Close of Discovery: Discovery stayed until November 4,
4 2024. Then discovery will re-commence automatically (if settlement not reached beforehand)
5 and end on December 2, 2024.

6 2. Last Day to File Dispositive Motions: January 2, 2025

7 3. Joint Pretrial Order: February 2, 2025, but if dispositive
8 motions are filed, then the date for filing the joint pretrial order shall be suspended until thirty
9 (30) days after decisions on any dispositive motions, or upon further order of the Court
10 extending the time period in which to file the joint pretrial order

11
12 IT IS SO ORDERED



UNITED STATES MAGISTRATE JUDGE

DATED: 6/18/2024

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